

# EXHIBIT B

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Attorneys for Defendants

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MONTANA  
BILLINGS DIVISION

GIACOMETTO RANCH INC., a	)	Cause No. 16-CV-145-SPW-JCL
Montana Corporation, TOM	)	
GIACOMETTO, a resident of	)	
Montana, LAWRENCE	)	
GIACOMETTO, a resident of	)	
Montana, and ROBERT	)	<b>AFFIDAVIT OF DAN COLE</b>
GIACOMETTO, a resident of	)	
South Dakota,	)	
	)	
Plaintiffs,	)	
	)	
vs.	)	
	)	
DENBURY ONSHORE LLC, a	)	
Delaware corporation, and	)	
DENBURY OPERATING	)	
COMPANY, a Delaware Corporation,	)	
	)	
Defendants.	)	

COUNTY OF COLLIN                    )  
  ) ss.  
STATE OF TEXAS                    )

Dan Cole, after being duly sworn, testifies as follows:

1. Denbury is the current operator of the Bell Creek (Muddy) Unit.
2. The Plaintiffs' property (including the pore space) has been used in enhanced oil recovery (EOR) operations since the early 1970's. Samuel Gary implemented Bell Creek Units A B, C, D and E for water flood recovery operations in 1971. In general terms, water flood operations inject water into the producing formation through injection wells and the water increases the pressure of the producing formation and helps to displace oil from the pore space. The water and oil are pushed to production wells. At the surface, the oil and water are separated, and the oil is sold.
3. In 2013, two years after taking over as the operator, Denbury began its EOR operations by injecting carbon dioxide brought to the Bell Creek Field by the Greencore Pipeline.
4. Simply stated, Denbury's EOR operations inject carbon dioxide into the producing formation through injection wells. The carbon dioxide mixes with the oil at pressure and reduces the oil's viscosity, increasing its ability to flow. In addition, the carbon dioxide reduces the attraction of the oil to the rock and allows

for movement of more oil to the production wells. A pressure gradient between the injection well provides the energy to move the oil.

5. The carbon dioxide that has been injected is recovered with the oil and water being produced. This carbon dioxide is separated and recompressed for reinjection into the producing formation along with additional volumes of carbon dioxide from the Greencore Pipeline.

6. The purpose of Denbury's injection of carbon dioxide into the producing formation is to produce incremental oil, not to sequester carbon dioxide in the pore space.

7. Denbury either owns or purchases the carbon dioxide used for its EOR operations and pays to have carbon dioxide transported by pipeline to the Bell Creek Unit.

8. Denbury is not paid by others to sequester carbon dioxide in the pore space by injecting it into the producing formation at Bell Creek Field. Denbury's use of the pore space is reasonable and necessary to conduct its EOR operations. Any residual carbon dioxide in the pore space when EOR operations are completed will be incidental to the EOR operations.

Dated this 19th day of December, 2019.

Dan Cole  
Dan Cole

SUBSCRIBED AND SWORN to before me this 19th day of December, 2019.



(NOTARIAL SEAL)

Teresa A. Calvert  
[Signature of Notary]

## Instrument Brief and Execution Cover

Area / County/  
Prospect: Bell Creek – Giacometto litigation Parish \_\_\_\_\_ State: \_\_\_\_\_

	<u>Name</u>	<u>Initial</u>	<u>Date</u>
From:	_____ / _____ / _____		
	(Originator)		
To:	_____ / _____ / _____		
	(Regional Approval)		
	<input checked="" type="checkbox"/> Approved <input type="checkbox"/> Confirmed <input type="checkbox"/> Waived		
To:	<u>Forrest Hudson</u> / <u>[Signature]</u> / <u>12/19/19</u>		
	(Legal)		
To:	<u>Dan Cole</u> / <u>[Signature]</u> / <u>12/19/2019</u>		
To:	_____ / _____ / _____		
	(Attest/Witness)		
To:	_____ / _____ / _____		
	(Notary)		
To:	_____ / _____ / _____		
	(Originator)		
To:	_____ / _____ / _____		
	(Lease Analyst or Filer)		

## Instrument Brief

Instrument  
Type: Giacometto litigation – affidavit Date: 12/19/2019 Effective Date: \_\_\_\_\_

Parties: Denbury

Dan, please sign the affidavit and return to me. This version includes Kate's edits as well.  
Thanks, FH

DISTRIBUTEES:		BRIEF	AGRMT	OTHER DISTRIBUTEES:		BRIEF	AGRMT
Lease Records:		<input type="checkbox"/>	<input type="checkbox"/>	If Surface Fee:		<input type="checkbox"/>	<input type="checkbox"/>
Division Order:		<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
JIB Accounting:		<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
Rev. Accounting:		<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>